

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name ETC TRUST - YIELDSHARES HIGH INCOME ETF		2 Issuer's employer identification number (EIN) 45-5041055	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1 FREEDOM VALLEY DRIVE		7 City, town, or post office, state, and Zip code of contact OAKS, PA 19456	
8 Date of action SEE BELOW		9 Classification and description NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION	
10 CUSIP number 301505301	11 Serial number(s)	12 Ticker symbol YYY	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Yieldshares High Income ETF paid a non-taxable return of capital distribution. The percentage of the non-taxable return of capital distribution paid to shareholders of record is 41.07% for each distribution. Listed below in the respective order are the Record Dates for each month receiving return of capital:
1/29/2014, 2/27/2014, 3/27/2014, 4/29/2014, 5/29/2014, 6/27/2014, 7/29/2014,
8/28/2014, 9/29/2014, 10/29/2014, 11/26/2014, 12/30/2014

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The total non-taxable return of capital portion of the distribution paid to shareholders of record is \$0.069815 for each distribution. Listed below in the respective order are the Record Dates for each month receiving return of capital:
1/29/2014, 2/27/2014, 3/27/2014, 4/29/2014, 5/29/2014, 6/27/2014, 7/29/2014,
8/28/2014, 9/29/2014, 10/29/2014, 11/26/2014, 12/30/2014

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The basis of shareholders of record on each distribution date listed above is reduced by the per share amount of \$0.069815 as referenced above. The rate was determined in accordance with IRC 301 & 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301 & 316

18 Can any resulting loss be recognized? ▶ Not applicable to this transaction as no loss may be recognized on a return of capital distribution. The shareholders cost basis should be adjusted to reflect the return of captial distribution which may affect the gain or loss realized by the shareholder upon disposition of his/her shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The inforamtion provided herein has been provided to each shareholder on their 2014 From From 1099 DIV statement, Box 3 from their respective Broker/Dealer

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ A signed copy is maintained by the issuer Date ▶ _____

Paid Preparer Use Only	Print your name ▶	Preparer's signature	Date ▶	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054